

# **HCQCC Cost Containment Committee : Recommendations on Cost Measures for the HCQCC Scorecard**

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**HCQCC Council Meeting**

**May 16, 2012**

**Presented by**

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Massachusetts Health Care Quality and Cost Council

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# Background

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- At Annual Meeting in December 2011, Council expressed interest in reviewing, evaluating, and updating the cost measures on the HCQCC scorecard
- Ad hoc committee met in March 2012, recommended that this effort be assigned to the HCQCC Cost Containment Committee
- Cost Containment Committee met May 4, 2012 to discuss and propose recommended measures and benchmarks to the Council for consideration



# Existing measures

HCQCC Statewide Scorecard to Track Progress on Goals

Goal	Subgoal/Strategy	Measure	2008	2009	National Benchmark		
					Average	Top State	90th %ile
1. Reduce the cost of health care.	A. Reduce the annual rise in health care costs to no more than the unadjusted growth in Gross Domestic Product (GDP) by 2012.	Rate of growth in per capita health care spending (GDP 2.1%)	5.7%		5.9%	4.3% (AZ)	5.2%
	B. Promote cost-efficiency through development of a website providing comparative cost information. Develop a website that will enable consumers to compare the cost of health care procedures at different hospitals and outpatient facilities.	HCQCC has developed MyHealthCare-Options website	Hospital Cost Measures (as of July 2010): <b>INPATIENT:</b> Angioplasty, Back Procedure (2), Bypass Surgery, Cesarean Section, COPD, Gall Bladder, Heart Attack, Heart Failure, Heart Valve Surgery, Hip Replacement, Intestinal Surgery, Knee Replacement, Normal Newborn, Pneumonia, Stroke, Vaginal Delivery, Weight-loss Surgery <b>OUTPATIENT:</b> Cardiac Screening Tests (3), CT Scan (5), Mammogram, MRI (3), Radiation Treatment (3), Ultrasound (2), X-Ray				
	C. Reduce health care spending by preventing the need for avoidable hospital stays.	Medicare 30-day readmissions as a percentage of all admissions	19.3%	19.4%	17.5%	12.9% (OR)	14.4%



# Questions considered

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- Should the data source and/or benchmark for total costs be changed?
  - Concern about lack of contemporaneous data source for measuring total costs
- Should additional measures to the scorecard? If so, which ones?



# Recommendation

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- After consideration of potential measures, data sources, and benchmarks, the Committee came to the following recommendations:
  - The Committee does not recommend adding measures to the Scorecard at this time
  - The Committee does recommend creating an appendix that summarizes additional measures and data sources relating to health costs



# Rationale

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- Careful review of a number of alternatives shows that there is no single ideal data source that is currently available
- There are many different measures and data sources relevant to cost, each with its own advantages and disadvantages
- While many measures of cost are already publicly available, providing an appendix (based on the slide deck presented to the Committee) will help present this information in a more accessible format



# Review of Approach

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- Intended to reflect impact on state, government, consumers, and businesses
- Explored four areas:
  1. Total health care spending
  2. State government health care spending
  3. Health insurance premiums
  4. Out-of-pocket costs for consumers



# Measures considered

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- Rate of growth in per capita health care spending (on current scorecard)
- Data sources:
  - CMS data
  - DHCFP cost trends report
  - Medical CPI





## Measures considered (cont.)

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- State Government program expenditures per enrollee
  - Connector
  - GIC
  - MassHealth



# Measures considered

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- Group health insurance premiums for individuals and families
- Average family premium as percentage median family income
- Avg employee contribution for individuals/families
- Data sources:
  - Medical Expenditure Panel Survey Data
  - Mass. Employer Survey
  - Kaiser Employer Health Benefits Survey



# Measures considered

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- Cost sharing as percent of total spending for privately insured
- Data sources:
  - Cost trends report
  - CMS National Health Expenditures Report
- Did not see a doctor due to cost (removed from list)



# Summary

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- Proposed appendix would present summary of information sources (as was presented to cost containment committee)
- Does the Council wish to approve the recommendation of the cost containment committee?

